

(F) Additions to My Unpaid Principal Balance

If I choose the Limited Payment Amount, my monthly payment could be less than the amount of the interest portion of a monthly payment which then would be sufficient to repay my unpaid principal balance in full on the maturity date at my current interest rate in substantially equal payments. If so, each month that the Limited Payment Amount is less than the interest portion, the Note Holder will subtract the Limited Payment Amount from the amount of the interest portion and will add the difference to my unpaid principal balance. The Note Holder will also add interest on the amount of this difference to my unpaid principal balance each month. The interest rate on the interest added to principal will be the rate required by Section 4(C) above.

(G) Limit on Unpaid Principal Balance; Increased Monthly Payment Amount

My unpaid principal balance can never exceed a maximum amount equal to one hundred twenty-five percent (125%) of the principal amount I originally borrowed. My paying a Limited Payment Amount after any Change Date could cause my unpaid principal balance to exceed that maximum amount. If so, on the date that my paying a Limited Payment Amount would cause me to exceed that limit, I will instead begin paying a new monthly payment until the next Change Date. The new monthly payment will be in an amount which would be sufficient to repay my then unpaid principal balance in full on the maturity date at my current interest rate in substantially equal payments.

(H) Required Full Payment Amount

Beginning with the first monthly payment after the last Change Date, I will pay the Full Payment Amount as my monthly payment.

(I) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(J) Notice of Changes

The Note Holder will mail or deliver to me a notice of any changes in the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

5. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so.

I may make a full prepayment or a partial prepayment without paying any penalty. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no delays in the due dates of my monthly payments unless the Note Holder agrees in writing to those delays. My partial prepayment will reduce the amount of my monthly payments after the first Change Date following my partial prepayment. However, any reduction due to my partial prepayment may be offset by an interest rate increase.

6. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

7. BORROWER'S FAILURE TO PAY AS REQUIRED**(A) Late Charge for Overdue Payments**

If the Note Holder has not received the full amount of any of my monthly payments by the end of calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be% of my overdue payment of principal and interest. I will pay this late charge promptly but only once on any late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed or delivered to me.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

8. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by mailing it by first class mail or by delivering it to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.